

OCT 31 2005

FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, D.C. 20463

COMMISSION
SECRETARIAT

2005 OCT 31 A 11: 38

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

AUDIT REFERRAL: 05-05

DATE REFERRED: August 8, 2005

DATE ACTIVATED: September 12, 2005

EXPIRATION OF SOL: November 14,
2006-February 4, 2008¹

SOURCE:

Audit Referral

RESPONDENTS:

Joe Turnham for Congress, and Pete Turnham in his
official capacity as treasurer
Joseph R. Turnham
Pete Turnham
BancorpSouth Bank

**RELEVANT STATUTES
AND REGULATIONS:**

2 U.S.C. § 431(8)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(a)(3)
2 U.S.C. § 441a(f)
2 U.S.C. § 441b(a)
11 C.F.R. § 100.7(b)(11)
11 C.F.R. § 100.8(b)(12)
11 C.F.R. § 101.2
11 C.F.R. § 110.1(b)
11 C.F.R. § 110.9(a)
11 C.F.R. § 110.10(a)
11 C.F.R. § 110.10(b)

INTERNAL REPORTS CHECKED:

Audit Documents
Disclosure Reports

FEDERAL AGENCIES CHECKED:

None

¹ The range of dates on which the statute of limitations expires for the violations in this matter are as follows: November 14, 2006 – February 4, 2008 for violations in connection with excessive contributions; and May 28, 2007 – October 15, 2007 for violations in connection with receipt of prohibited bank loans

I. INTRODUCTION

This matter was generated by a Commission audit pursuant to 2 U.S.C. § 438(b) of the Joe Turnham for Congress Committee ("the Committee") covering the period from November 21, 2001 through December 31, 2002.² The Commission approved the Final Report of the Audit Division on the Committee on August 4, 2005, and on August 8, 2005, two findings were referred to the Office of the General Counsel for enforcement. See Attachment 1. Based on the information set forth in the Final Audit Report, we recommend that the Commission make reason to believe findings as follows:

- The Committee received a total of \$175,502 in excessive contributions from various individuals in violation of 2 U.S.C. § 441a(f). See Attachment 1, at pp. 2-5.
- The Committee received three prohibited bank loans from BancorpSouth totaling \$98,023 in violation of 2 U.S.C. § 441b(a). See Attachment 1, at pp. 10-14.
- Pete Turnham made excessive contributions to the Committee totaling \$166,502 in violation of 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3). See Attachment 1, at pp. 3, 5, 7-10.
- BancorpSouth made three prohibited bank loans totaling \$98,023 to the Committee in violation of 2 U.S.C. § 441b(a). See Attachment 1, at pp. 3, 4, 10-14.
- Joseph R. Turnham received a total of \$166,502 in excessive contributions from various individuals in violation of 2 U.S.C. § 441a(f). See Attachment 1, at pp. 3, 4, 7-14.
- Joseph R. Turnham received three prohibited bank loans from BancorpSouth totaling \$98,023 in violation 2 U.S.C. § 441b(a). See Attachment 1, at pp. 3, 4, 10-14.

² With the exception of an excessive contribution made by Pete Turnham, all of the facts in this matter occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). See footnote 5, *infra*. Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA.

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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Joe Turnham for Congress and Pete Turnham in his official capacity as treasurer violated 2 U.S.C. §§ 441a(f) and 441b(a).
3. Find reason to believe that BancorpSouth Bank violated 2 U.S.C. § 441b(a).
4. Find reason to believe that Joseph R. Turnham violated 2 U.S.C. §§ 441a(f) and 441b(a).
5. Find reason to believe that Pete Turnham violated 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3).
- 6.

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7. Approve as Factual and Legal Analyses the Report of the Audit Division on Joe Turnham for Congress Committee dated August 8, 2005.

8.

9.

10. Approve the appropriate letters.

Lawrence H. Norton
General Counsel

Rhonda J. Vosdingh
Associate General Counsel

Date:

10/28/05

BY:

Sidney Rocke

Sidney Rocke
Assistant General Counsel

Christine C. Gallagher

Christine C. Gallagher
Attorney

Attachments

1. Final Audit Report

2.

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